



ZIEGLER CHEMICAL & MINERAL CORP.

100 JERICO QUADRANGLE, JERICO, NEW YORK 11753

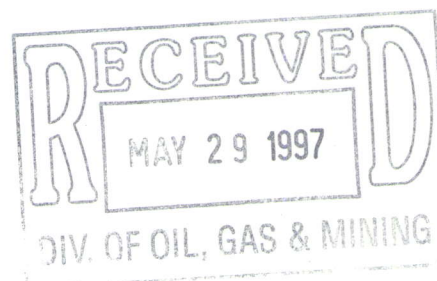
TEL: 516-681-9600

FAX: 516-681-9604

m/047/013

May 22, 1997

Mr. D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program
State of Utah Dept. of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203



Re: Lease Serial #M1047013
Letter of Credit

Dear Mr. Hedberg:

Enclosed please find a Mineral Lease Reclamation Bond (Bearing Bond _____), issued by the Frontier Insurance Company in the amount of \$113,900.00. This bond is intended to replace the existing Letter of Credit issued by the Fleet Bank currently held by your office.

Please accept the enclosed bond and return the original Fleet Bank Letter of Credit to my attention.

Thank you for your cooperation in this matter.

Sincerely yours,

ZIEGLER CHEMICAL & MINERAL CORP.

William J. Hyland
Vice President - Finance

WJH:lz
Enc.